

Sep 95 - Sec 200

200. TAXATION

The financing pattern of the State laws is influenced by the Federal Unemployment Tax Act, since employers may credit toward the Federal payroll tax the State contributions which they pay under an approved State law. They may credit also any savings on the State tax under an approved experience-rating plan. There is no Federal tax levied against employees.

The Federal payroll tax increased from 3.0 percent to 3.1 percent, effective January 1, 1961; from 3.1 percent to 3.2 percent, effective January 1, 1970; from 3.2 percent to 3.4 percent, effective January 1, 1977; from 3.4 percent to 3.5 percent effective January 1, 1983; and from 3.5 percent to 6.2 percent, effective January 1, 1985. The total credit against the Federal tax allowed employers for their contributions under approved State laws is limited to 5.4 percent.

205 SOURCE OF FUNDS

All the States finance unemployment benefits mainly by contributions from subject employers on the wages of their covered workers; in addition, three States collect employee contributions. The funds collected are held for the States in the unemployment trust fund in the U.S. Treasury, and interest is credited to the State accounts. Money is drawn from this fund to pay benefits or to refund contributions erroneously paid.

States with depleted reserves may, under specified conditions, obtain advances from the Federal unemployment account to finance benefit payments. If the required amount is not restored by November 10 of a specified taxable year, the allowable credit against the Federal tax for that year is decreased in accordance with the provisions of section 3302(c) of the Federal Unemployment Tax Act. Beginning 1982 a State's decrease in allowable credit is capped (starting with 1981 wages) if the State meets certain solvency requirements. Interest is now added to the formerly interest free advances from the Federal unemployment account. Massachusetts permits the Massachusetts Industrial Finance agency to issue revenue bonds from 1992-1998, when necessary, as an advance to the unemployment fund or to repay advances from the Federal unemployment account.

205.01 EMPLOYER CONTRIBUTIONS.--In most States the standard rate--the rate required of employers until they are qualified for a rate based on their experience--is 5.4 percent, the maximum allowable credit against the Federal tax. Similarly, in some States, the employer's contribution, like the Federal tax, is based on the first \$7,000 paid to (or earned by) a worker within a calendar year. Deviations from this pattern are shown in Table 200.

Most States follow the Federal pattern in excluding from taxable wages payment by the employee's tax for Federal old-age and survivors insurance, and payments from or to certain special benefit funds for employees. Under the State laws, wages include the cash value of remuneration paid in any medium other than cash and tips received in the course of employment and included in a written statement furnished to the employer.

In every State an employer is subject to certain interest or penalty payments for delay or default in payment of contributions, and usually incurs penalties for failure or delinquency in making reports. Wyoming also requires large employers working on temporary projects in the State to post a bond in addition to contributions to insure payment of all benefits ultimately due its former employees. In addition, the State administrative agencies have legal recourse to collect contributions, usually involving jeopardy assessments, levies, judgments, liens, and civil suits.

The employer who has overpaid is entitled to a refund in every State. Such refunds may be made within time limits ranging from 1 to 6 years; in a few States no limit is specified.

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205.02 STANDARD RATES.--The standard rate of contributions under all but a few State laws is 5.4 percent. Some States charge a higher standard rate for employer's with a negative balance. In Maryland the standard rate is 7.2 percent, in Utah 8.0 percent and in Wyoming 8.5 percent. In North Dakota, the standard rate is the maximum rate in effect for a year. Kansas, Missouri and Rhode Island have no standard contribution rate, although employers in Kansas not eligible for an experience rate, and not considered as newly covered, pay at the maximum rate; Oregon has no standard rate and employers not eligible for an experience rate pay at rates ranging from 2.7 to 3.5 percent, depending on the rate schedule in effect for rated employers.

In most States, new and newly-covered employers pay a rate lower than the standard rate until they meet the requirements for experience rating (Table 202). In a few States they pay the standard rate, while in some States they pay a higher rate because of provisions requiring all employers to pay an additional contribution. In Wisconsin an additional rate of 1.3 percent will be required of a new employer if the account becomes overdrawn and the payroll is \$20,000 or more. In other States, the additional contribution provisions are applied when fund levels reach specified points or to restore to the fund amounts expended for noncharged or ineffectively charged benefits. Ineffectively charged benefits include those paid and charged to inactive and terminated accounts and those paid and charged to an employer's experience rating account after the previously charged benefits to the account were sufficient to qualify the employer for the maximum contribution rate. See section 235 for noncharging of benefits. The maximum total rate that would be required of new or newly-covered employers under these provisions is 2.9 percent in Arkansas; 3.2 percent in Missouri; 3.7 percent in New York; and 4.2 percent in Delaware. No maximum rate is specified for new employers in Wyoming.

205.03 TAXABLE WAGE BASE.--More than half of the States have adopted a higher tax base than that provided in the Federal Unemployment Tax Act. In these States an employer pays a tax on wages paid to (or earned by) each worker within a calendar year up to the amount specified in Table 200. In addition, most of the States provide an automatic adjustment of the wage base if the Federal law is amended to apply to a higher wage base than that specified under State law (Table 200).

205.04 EMPLOYEE CONTRIBUTIONS.--Only Alaska, New Jersey and Pennsylvania collect employee contributions and of the nine States^{1/} that formerly collected such contributions, only New Jersey does so now. The wage base used for the collection of employee contributions is the same as used for their employers (Table 200). Employee contributions are deducted by the employer from the workers' pay and sent with the employer's own contribution to the State agency. In New Jersey employees pay contributions as high as 1.125 percent (0.60 percent for calendar years 1996 and 1997 and 0.625 percent beginning 1998). In Alaska employee contribution rates vary from 0.5 percent to 1.0 percent, depending on the rate schedule in effect. In Pennsylvania employees pay contributions of 0.1 percent of all wages paid for employment.

205.05 FINANCING OF ADMINISTRATION.--The Social Security Act undertook to assure adequate provisions for administering the unemployment insurance program in all States by authorizing Federal grants to States to meet the total cost of "proper and efficient administration" of approved State unemployment insurance laws.

Receipts from the residual Federal unemployment tax--0.3 percent of taxable wages through calendar year 1960, 0.4 percent through calendar year 1969; 0.5 through 1976; 0.7 through 1982; and 0.8 thereafter--are automatically appropriated and credited to the employment security administration account--one of three accounts--in the Federal

^{1/}Ala., Calif., Ind., Ky., La., Mass., N.H., N.J. and R.I.

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230.03 CHARGING IN PROPORTION TO BASE-PERIOD WAGES.--On the theory that unemployment results from general conditions of the labor market more than from a given employer's separations, the largest number of States charge benefits against all base-period employers in proportion to the wages earned by the beneficiary with each employer. Their charging methods assume that liability for benefits inheres in wage payments. This also is true in a State that charges all benefits to a principal employer.

In two States employers responsible for a small amount of base-period wages are relieved of charges. A Florida employer who paid a claimant less than \$100 in the base period is not charged and in Connecticut if the employer paid \$500 or less.

235 NONCHARGING OF BENEFITS

In many States there has been a tendency to recognize that the costs of benefits of certain types should not be charged to individual employers. This has resulted in "noncharging" provisions of various types in practically all State laws which base rates on benefits or benefit derivatives (Table 205). In the States which charge benefits, certain benefits are omitted from charging as indicated below; in the States which charge benefit wages, certain wages are not counted as benefit wages. Such provisions are, of course, not applicable in States in which rate reductions are based solely on payroll decreases.

The omission of charges for benefits based on employment of short duration has already been mentioned (sec. 230, and Table 205, footnote 6). The postponement of charges until a certain amount of benefits has been paid (sec. 220.03) results in noncharging of benefits for claimants whose unemployment was of very short duration. In many States, charges are omitted when benefits are paid on the basis of an early determination in an appealed case and the determination is eventually reversed. In many States, charges are omitted for reimbursements in the case of benefits paid under a reciprocal arrangement authorizing the combination of the individual's wage credits in 2 or more States; i.e., situations when the claimant would be ineligible in the State without the out-of-State wage credits. In Connecticut, District of Columbia, Massachusetts and Rhode Island dependents' allowances are not charged to employers' accounts.

The laws in Alabama, Arizona, California, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, Missouri, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Utah, Vermont, West Virginia and Wyoming provide that an employer who employed a claimant part time in the base period and continues to give substantial equal part-time employment is not charged for benefits.

Five States (Arkansas, Colorado, Maine, North Carolina and Ohio) have special provisions or regulations for identifying the employer to be charged in the case of benefits paid to seasonal workers; in general, seasonal employers are charged only with benefits paid for unemployment occurring during the season, and nonseasonal employers, with benefits paid for unemployment at other times.

The District of Columbia, Georgia, Hawaii, Kansas, Louisiana, Maine, Massachusetts, Mississippi, Montana, New Hampshire, New Mexico, North Carolina, North Dakota, Oregon, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia and Wyoming provide that benefits paid to an individual taking approved training shall not be charged to the employer's account. In Minnesota and Virginia benefits may be noncharged if an offer to rehire has been refused because the individual is in approved training.

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Colorado, Mississippi and Oklahoma provide that benefits paid to an individual hired to replace a serviceperson called into active duty and laid off upon that serviceperson's return shall not be charged to the employer's account. Montana has a similar provision whereby benefits paid to an individual will be noncharged if the employer's business closed because he/she was called for active military duty.

New York established a demonstration project which allows claimants in approved training to receive additional benefits. These additional benefits will be charged to the general account.

Another type of omission of charges is for benefits paid following a period of disqualification for voluntary quit, misconduct, or refusal of suitable work or for benefits paid following a potentially disqualifying separation for which no disqualification was imposed; e.g., because the claimant had good personal cause for leaving voluntarily, or because of a job which lasted throughout the normal disqualification period and then was laid off for lack of work. The intent is to relieve the employer of charges for unemployment, caused by circumstances beyond the employer's control, by means other than limiting good cause for voluntary leaving to good cause attributable to the employer, disqualification for the duration of the unemployment, or the cancellation of wage credits. The provisions vary with variations in the employer to be charged and with the disqualification provisions (sec. 425), particularly as regards the cancellation and reduction of benefit rights. In this summary, no attempt is made to distinguish between noncharging of benefits or benefit wages following a period of disqualification and noncharging where no disqualification is imposed. Most States provide for noncharging where voluntary leaving or discharge for misconduct is involved and some States, refusal of suitable work (Table 205). A few of these States limit noncharging to cases where a claimant refuses reemployment in suitable work.

In Florida and South Dakota, benefits are not charged if an individual is discharged for unsatisfactory performance during a probationary period and if there is conclusive evidence of unsatisfactory work and that the probationer was not separated because employment was not of a permanent nature.

Connecticut has a provision for canceling specified percentages of charges if the employer rehires the worker within specified periods.

Alabama, Florida, Georgia, Hawaii, Iowa, Minnesota, North Carolina, North Dakota, Oklahoma, Pennsylvania (limited to the first 8 weeks of benefits), South Dakota, Tennessee, Texas, Washington (if employer requests the exemption and if the commission approves it), and Wyoming exempt from charging benefits paid for unemployment due directly to a disaster if the claimant would otherwise have been eligible for disaster benefits (Table 205, footnote 12). Connecticut noncharges benefits paid for unemployment resulting from physical damage to a place of employment caused by severe weather conditions. Minnesota also noncharges benefits paid following disasters under certain conditions regardless of eligibility for disaster benefits.

240 REQUIREMENTS FOR REDUCED RATES

In accordance with the Federal requirements for experience rating, no reduced rates were possible in any State during the first 3 years of its unemployment insurance law. Except for Wisconsin, whose law preceded the Social Security Act, no reduced rates were effective until 1940.

The requirements for any rate reduction vary greatly among the States, regardless of type of experience-rating formula.

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Table 200.--Summary of experience-rating provisions, 53 States 1/

State	Type of experience rating				Taxable wage base above \$7,000 (41 1/ States)	Wages include remuneration over \$7,000 if subject to FUTA (42 States)	Voluntary contributions permitted (25 States)
	Reserve ratio (33 States)	Benefit ratio (17 States)	Benefit wage ratio (2 States)	Payroll declines (1 State)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Ala.	• • •	X	• • •	• • • • • •	\$ 8,000	X	• • • • • •
Alaska	• • •	• •	• • •	Quarterly	\$23,900 3/	• • • • •	• • • • • •
Ariz.	X	• •	• • •	• • • • • •	• • • • • •	X	X
Ark.	X	• •	• • •	• • • • • •	\$ 9,000	X	X
Calif.	X	• •	• • •	• • • • • •	• • • • • •	• • • • •	X 2/
Colo.	X	• •	• • •	• • • • • •	\$10,000	X	X
Conn.	• • •	X	• • •	• • • • • •	\$10,000	X 4/	• • • • • •
Del.	• • •	• •	X	• • • • • •	\$ 8,500	X	• • • • • •
D.C.	X	• •	• • •	• • • • • •	\$10,000	X	• • • • • •
Fla.	• • •	X	• • •	• • • • • •	• • • • • •	X	• • • • • •
Ga.	X	• •	• • •	• • • • • •	\$ 8,500	X 4/	X
Hawaii	X	• •	• • •	• • • • • •	\$25,500 3/	X	• • • • • •
Idaho	X	• •	• • •	• • • • • •	\$21,000 3/	• • • • •	• • • • • •
Ill.	• • •	X	• • •	• • • • • •	\$ 9,000	X 4/	• • • • • •
Ind.	X	• •	• • •	• • • • • •	• • • • • •	X 4/	X
Iowa	• • •	X	• • •	• • • • • •	\$14,200 3/	X	X
Kans.	X	• •	• • •	• • • • • •	\$ 8,000	X	X 2/
Ky.	X	• •	• • •	• • • • • •	\$ 8,000	X	X
La.	X	• •	• • •	• • • • • •	\$ 8,500	X	X 2/
Maine	X	• •	• • •	• • • • • •	• • • • • •	X	X
Md.	• • •	X	• • •	• • • • • •	\$ 8,500	X	• • • • • •
Mass.	X	• •	• • •	• • • • • •	\$10,800	X	• • • • • •
Mich.	• • •	X	• • •	• • • • • •	\$ 9,500	X	X
Minn.	• • •	X	• • •	• • • • • •	\$15,300 3/	X	X 2/
Miss.	• • •	X	• • •	• • • • • •	• • • • • •	X	• • • • • •
Mo.	X	• •	• • •	• • • • • •	\$ 8,500	X	X

(Table continued on next page)

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Table 200.--Summary of experience-rating provisions, 53 States ^{1/} (Continued)

State	Type of experience rating				Taxable wage base above \$7,000 (41 ^{1/} States)	Wages include remuneration over \$7,000 if subject to FUTA (42 States)	Voluntary contributions permitted (25 States)
	Reserve ratio (33 States)	Benefit ratio (17 States)	Benefit wage ratio (2 States)	Payroll declines (1 State)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mont.	X	• •	• • •	• • • • •	\$15,500 ^{3/}	X	• • • • •
Nebr.	X	• •	• • •	• • • • •	• • • • •	X	X
Nev.	X	• •	• • •	• • • • •	\$16,400 ^{3/}	X	• • • • •
N.H.	X	• •	• • •	• • • • •	\$ 8,000	• • • • •	• • • • •
N.J.	X	• •	• • •	• • • • •	\$17,600 ^{3/}	X	X
N.Mex.	X	• •	• • •	• • • • •	\$13,500 ^{3/}	X	X
N.Y.	X	• •	• • •	• • • • •	• • • • •	X ^{4/}	X
N.C.	X	• •	• • •	• • • • •	\$11,300 ^{3/}	X	X ^{2/}
N.Dak.	X	• •	• • •	• • • • •	\$13,400 ^{3/}	X	X
Ohio	X	• •	• • •	• • • • •	\$ 9,000 ^{6/}	X	X
Okla.	• • •	• •	X	• • • • •	\$10,700 ^{3/}	• • • • •	• • • • •
Oreg.	• • •	X	• • •	• • • • •	\$19,000 ^{3/}	• • • • •	• • • • •
Pa.	• • •	X ^{5/}	• • •	• • • • •	\$ 8,000	X ^{4/}	X
P.R.	X	• •	• • •	• • • • •	• • • • •	• • • • •	• • • • •
R.I.	X	• •	• • •	• • • • •	\$16,800 ^{3/}	X ^{4/}	• • • • •
S.C.	X	• •	• • •	• • • • •	• • • • •	X	• • • • •
S.Dak.	X	• •	• • •	• • • • •	• • • • •	X ^{4/}	X
Tenn.	X	• •	• • •	• • • • •	• • • • •	X ^{4/}	• • • • •
Tex.	• • •	X	• • •	• • • • •	\$ 9,000	• • • • •	• • • • •
Utah.	• • •	X	• • •	• • • • •	\$16,500 ^{3/}	X	• • • • •
Vt.	• • •	X	• • •	• • • • •	\$ 8,000	X	• • • • •
Va.	• • •	X	• • •	• • • • •	\$ 8,000	• • • • •	• • • • •
V.I.	X	• •	• • •	• • • • •	\$13,900 ^{3/}	• • • • •	• • • • •
Wash.	• • •	X	• • •	• • • • •	\$19,900 ^{3/}	• • • • •	• • • • •
W.Va.	X	• •	• • •	• • • • •	\$ 8,000	X	X
Wis.	X	• •	• • •	• • • • •	\$10,500	X	X ^{2/}

(Table continued on next page)

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Table 200.--Summary of experience-rating provisions, 53 States ^{1/} (Continued)

State	Type of experience rating				Taxable wage base above \$7,000 (41 ^{1/} States)	Wages include remuneration over \$7,000 if subject to FUTA (42 States)	Voluntary contributions permitted (25 States)
	Reserve ratio (33 States)	Benefit ratio (17 States)	Benefit wage ratio (2 States)	Payroll declines (1 State)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Wyo.	• • •	X	• • •	• • • • • • •	\$11,900 ^{3/}	X	• • • • • • •

^{1/} See Tables 201 to 206 for more detailed analysis of experience-rating provisions.

^{2/} Voluntary contributions limited to amount of benefits charged during 12 months preceding last computation date, La.; ER receives credit for 100% of any voluntary contributions made to fund, N.C.; reduction in rate because of voluntary contributions limited to five rate groups for positive-balance ER's, other limitations apply for negative-balance ER's, Kans., and Wisc.; surcharge added equal to 25% of benefits canceled by voluntary contributions unless voluntary payment is made to overcome charges incurred as a result of unemployment of 75% or more of ER's workers caused by damages from fire, flood, or other acts of God, Minn.; not permitted for yrs. in which rate schedule higher than basic schedule is in effect or in which additional surtax or solvency rates apply, La.; not permitted for yrs. in which contribution rate schedules E and F are in effect or in which the emergency solvency surcharge applies (excludes new ERs, negative balance ERs and ERs with an outstanding liability), Calif..

^{3/} See following table for computation of flexible taxable wage bases for States noted.

^{4/} Wages include all kinds of remuneration subject to FUTA.

^{5/} Formula includes reserve ratio, Pa..

^{6/} If the fund level is 60% or below the minimum safe level, then on Jan. 1 of the following CY the wage base will be \$9,000, Ohio.

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Table 201.--Computation of Flexible Taxable Wage Bases

State	Computed as--		Period of time used--		
	% of State average annual wage (14 States)	Other (4 States)	Preceding CY (8 States)	12 months ending June 30 (6 States)	Second preceding CY (3 States)
(1)	(2)	(3)	(4)	(5)	(6)
Ala.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Alaska	75 <u>1</u> /	• • • • •	• • • • •	X	• • • • •
Ariz.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Ark.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Calif.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Colo.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Conn.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Del.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
D.C.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Ga.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Hawaii	100 <u>1</u> /	• • • • •	• • • • •	X	• • • • •
Idaho	100 <u>1</u> /	• • • • •	• • • • •	• • • • •	X
Ill.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Ind.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Iowa	• • • • •	66-2/3% <u>3</u> /	X	• • • • •	• • • • •
Kans.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Ky.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
La.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Maine	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Md.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Mass.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Mich.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Minn.	60 <u>1</u> /	• • • • •	X	• • • • •	• • • • •
Miss.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Mo.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Mont.	80 <u>1</u> /	• • • • •	X	• • • • •	• • • • •
Nebr.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •

(Table continued on next page)

TAXATION

Table 201.--Computation of Flexible Taxable Wage Bases (Continued)

State	Computed as--		Period of time used--		
	% of State average annual wage (14 States)	Other (4 States)	Preceding CY (8 States)	12 months ending June 30 (6 States)	Second preceding CY (3 States)
(1)	(2)	(3)	(4)	(5)	(6)
Nev.	66-2/3 1/	• • • • •	X	• • • • •	• • • • •
N.H.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
N.J.	• • • • •	28 x State aww 1/	X	• • • • •	• • • • •
N.Mex.	65 1/	• • • • •	• • • • •	X	• • • • •
N.Y.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
N.C.	50 1/	• • • • •	• • • • •	• • • • •	• • • • •
N.Dak.	70 1/	• • • • •	• • • • •	X	• • • • •
Ohio	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Okla.	50 1/	• • • • •	• • • • •	• • • • •	X
Oreg.	80 1/	• • • • •	• • • • •	• • • • •	X
Pa.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
P.R.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
R.I.	70 1/	• • • • •	X	• • • • •	• • • • •
S.C.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
S.Dak.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Tenn.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Tex.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Utah	• • • • •	75 2/	• • • • •	X	• • • • •
Vt.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Va.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
V.I.	60 1/	• • • • •	• • • • •	X	• • • • •
Wash.	• • • • •	115 2/	X 2/	• • • • •	• • • • •
W.Va.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Wis.	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •
Wyo.	55 1/	• • • • •	X	• • • • •	• • • • •

1/Rounded to nearest \$100, Alaska, Hawaii, Minn., Mont., Nev., N.C., N.Dak., Okla., and V.I.; \$600, Idaho; higher \$100, Iowa, N.J., N.Mex., Utah; higher \$200, R.I.; nearest \$1,000, Oreg.; lower \$100, Wyo.

2/115 percent of the previous year's taxable wage base rounded to the lower \$100, but not to exceed 80 percent of aaw for the 2nd preceding CY rounded to the lower \$100, Wash.; 75 percent of the prior average fiscal year wage rounded to the higher \$100, Utah.

3/66-2/3 percent of the State aww, multiplied by 52, or the Federal taxable wage base, Iowa.

Table 205.--Employers Charged and Benefits Excluded from Charging, 52 States Which Charge Benefits or Benefit Derivatives

State	Base-period employer charged			Benefits excluded from charging					
	Proportion- ately (37 States)	In inverse order of employment up to amount specified (8 States) <u>2/</u>	Employer specified (10 States)	Federal- State extended benefits (16 States)	Benefit award finally reversed (32 States)	Reimburse- ments on combined wage claims (20 States)	Major disqualification involved		
							Voluntary leaving (48 States)	Discharge for miscon- duct (46 States)	Refusal of suit- able work (15 States)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Ala. <u>12/</u>	X <u>6/</u>	• • • • •	• • • • •	• • • • •	X	• • • • •	X	X <u>3/</u>	• • • • •
Ariz.	X <u>6/</u>	• • • • •	• • • • •	• • • • •	X	X <u>10/ 13/</u>	X <u>4/</u>	X	• • • • •
Ark.	X <u>6/</u>	• • • • •	• • • • •	X	• • • • •	• • • • •	X	X	• • • • •
Calif.	X <u>6/</u>	• • • • •	• • • • •	• • • • •	X	• • • • •	X <u>4/</u>	X <u>4/</u>	• • • • •
Colo.	• • • • •	1/3 wages up to 1/2 of 26 x current wba. <u>6/</u>	• • • • •	• • • • •	X	X	X	X <u>4/</u>	• • • • •
Conn.	X <u>6/</u>	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •	X <u>4/</u>	X <u>4/</u>	X <u>3/</u>
Del. <u>1/</u>	X <u>6/</u>	• • • • •	• • • • •	• • • • •	X	X	X	X	• • • • •
D.C.	X <u>6/</u>	• • • • •	• • • • •	• • • • •	• • • • •	• • • • •	X	X	• • • • •
Fla.	X <u>6/</u>	• • • • •	• • • • •	• • • • •	X	• • • • •	X	X	X <u>3/</u>
Ga.	• • • • •	• • • • •	Most recent <u>6/12/</u>	• • • • •	X	X <u>10/</u>	X <u>4/</u>	X	X <u>3/</u>
Hawaii	X <u>6/</u>	• • • • •	• • • • •	X	• • • • •	X	X	X	X
Idaho	• • • • •	• • • • •	Principal <u>6/7/</u>	X	X	X <u>10/</u>	X	X	• • • • •
Ill.	• • • • •	• • • • •	Most recent <u>6/</u>	• • • • •	• • • • •	X <u>10/</u>	X <u>4/</u>	X	X
Ind.	X <u>6/7/</u>	<u>6/7/</u>	• • • • •	• • • • •	• • • • •	X <u>10/</u>	X	X	• • • • •
Iowa <u>12/</u>	• • • • •	In proportion to BP wages paid by ER. <u>6/</u>	• • • • •	X	X	X <u>10/</u>	X	X	X
Kans.	X <u>6/</u>	• • • • •	• • • • •	X	• • • • •	• • • • •	X	X	• • • • •
Ky.	• • • • •	• • • • •	Most recent <u>6/</u>	• • • • •	• • • • •	X <u>10/</u>	X	X	• • • • •

TAXATION

(Table continued on next page)

Table 205.—Employers Charged and Benefits Excluded from Charging, 52 States Which Charge Benefits or Benefit Derivatives (Continued)

State	Base-period employer charged			Benefits excluded from charging					
	Proportion- ately (37 States)	In inverse order of employment up to amount specified (8 States) <u>2/</u>	Employer specified (10 States)	Federal- State extended benefits (16 States)	Benefit award finally reversed (32 States)	Reimburse- ments on combined wage claims (20 States)	Major disqualification involved		
							Voluntary leaving (48 States)	Discharge for miscon- duct (46 States)	Refusal of suit- able work (15 States)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
La.	X <u>6/</u>	.....	.....	.....	X	.....	X <u>4/</u>	X	X
Maine	.....	.....	Most recent <u>6/</u>	X	X	X <u>10/</u>	X	X	X <u>3/</u>
Md.	X <u>6/7/</u>	.....	<u>6/7/</u>	.....	X	.....	<u>10/</u>	<u>3/</u>	.....
Mass.	.....	36% of base- period wages.	.....	.....	X	.....	X	X <u>4/</u>	.....
Mich.	.....	3/4 credit wks. up to 35. <u>8/</u>	.....	.....	.....	.....	X <u>8/</u>	X <u>8/</u>	<u>8/</u>
Minn. <u>12/</u>	X <u>6/9/</u>	.....	.....	.....	X	X	X	X	X <u>3/</u>
Miss.	X <u>6/</u>	.....	.....	.....	.....	.....	X	X	X <u>3/</u>
Mo.	X <u>6/</u>	.....	.....	.....	X	.....	X <u>4/</u>	X	X
Mont.	X <u>6/</u>	.....	.....	X	.....	.....	X	X	.....
Nebr.	.....	1/3 base- period wages.	.....	.....	X	.....	X	X	.....
Nev.	X <u>14/</u>	.....	.....	X	.....	X <u>10/</u>	X <u>4/</u>	X	.....
N.H.	.....	.....	Most recent <u>6/16/</u>	.....	.....	X <u>10/</u>	.....	.....	.....
N.J.	X	.....	.....	.....	X	.....	.....	.....	.....
N.Mex.	X	.....	.....	X	X	.....	X	X	.....
N.Y.	.....	Credit weeks up to 26. <u>6/</u>	.....	.....	.....	.....	X	X	.....
N.C. <u>12/</u>	X <u>6/15/</u>	.....	.....	.....	X	.....	X	X <u>4/</u>	.....
N. Dak. <u>12/</u>	X	.....	.....	.....	X	.....	X	X	.....
Ohio	X <u>6/</u>	.....	.....	.....	X	X <u>10/</u>	X <u>4/</u>	X	X

(Table continued on next page)

Table 205.--Employers Charged and Benefits Excluded from Charging, 52 States Which Charge Benefits or Benefit Derivatives (Continued)

State	Base-period employer charged			Benefits excluded from charging					
	Proportion- ately (37 States)	In inverse order of employment up to amount specified (8 States) <u>2/</u>	Employer specified (10 States)	Federal- State extended benefits (16 States)	Benefit award finally reversed (32 States)	Reimburse- ments on combined wage claims (20 States)	Major disqualification involved		
							Voluntary leaving (48 States)	Discharge for miscon- duct (46 States)	Refusal of suit- able work (15 States)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
O k l a 1/12/	X 4/6/	.....	.....	.....	X	.....	X	X	.....
Oreg.	X 5/6/	.....	.....	X	X	X 10/	X	X	.....
Pa. 12/	X 6/	.....	.....	.....	.....	.....	X	X	.....
P.R.	7/	.....	Most recent 7/	X	.....	.....	.....	.....	.....
R.I.	7/	.....	Most recent 7/	.....	X	.....	X	X	.....
S.C.	.....	.....	Most recent 6/	X	X	.....	X	X	X 3/
S.Dak. 12/	.....	In proportion to BP wages paid by ER. 6/	.....	X	X	.....	X 4/	X 4/	.....
T e n n. 12/	X 6/	.....	.....	.....	X	.....	X	X	.....
Tex. 12/	X	.....	.....	.....	X	.....	X	X	.....
Utah	X 6/	.....	.....	X	X	X	X	X	.....
Vt:	X 6/	.....	.....	.....	.....	X	X 4/	X	X
Va.	.....	.....	Most recent 6/	.....	.....	X	X 4/	.....	.....
V.I.	X	.....	.....	.....	.....	.....	.....	.....	.....
W a s h. 12/	X 6/	.....	.....	X	X	X 10/	X	X	.....
W.Va.	X 6/	.....	.....	.....	X	.....	X	X	.....
Wis.	X 17/	.....	.....	.....	X	.....	X	.....	.....
Wyo.	X 6/	.....	.....	X	X	.....	X	X	.....

1/State has benefit-wage-ratio formula; benefit wages are not charged for claimants whose compensable unemployment is of short duration (sec. 220.03).

(Footnotes continued on next page)

2/Limitation on amount charged does not reflect those States charging one-half of Federal-State extended benefits. For States that noncharge these benefits see column 5.

3/Half of charges omitted if separation due to misconduct; all charges omitted if separation due to aggravated misconduct, Ala., and for gross and aggravated misconduct, Md.; omission of charge is limited to refusal of reemployment in suitable work, Fla., Ga., Maine, Minn., Miss., and S.C..

4/Charges are omitted also for claimants leaving for compelling personal reasons not attributable to ER and not warranting disqualification, as well as for claimants leaving work due to private or lump-sum retirement plan containing mutually-agreed-upon mandatory age clause, Ariz.; for claimant who was student employed on temporary basis during BP and whose employment began within vacation and ended with leaving to return to school, or for claimant who left work to accompany a spouse; also, for individuals who were discharged or who quit as a result of an irresistible compulsion to use or consume intoxicants, Calif.; for a claimant's most recent separation to study or voluntary retirement provided the ER filed a notice for appeal, Conn.; for claimants who retire under agreed-upon mandatory-age retirement plan, Ga.; for claimant convicted of felony or misdemeanor, Mass.; for claimant who left to accept another job and held it long enough to earn six times wba and then was separated from new work, and if physically unable to work, or to accept other bona fide work, Ill.; for a claimant who left part-time or interim employment in order to protect full-time or regular employment, La.; for claimant leaving to accept more remunerative job, Mo.; for claimant who left work to accompany military spouse who was transferred to another location, Nev.; for claimant who left to accept recall from a prior ER or to accept other work beginning within 7 days and lasting at least 3 wks.; also exempts leaving pursuant to agreement permitting EE to accept lack-of-work separation and leaving unsuitable employment that was concurrent with other suitable employment, Ohio; if ER recalls a laid-off or separated EE and the EE continues to be employed, or voluntarily terminates employment or is discharged for misconduct within the BY, benefit charges may be reduced by the ratio of remaining wks. of eligibility to the total wks. of entitlement, Okla.; if benefits are paid after voluntary leaving (also because of pregnancy or marital obligations) discharge for misconduct, 50% of such benefits shall be prorated among all of the ER experience rating accounts, S.Dak.; if claimant's employment or right to reemployment was terminated by his retirement pursuant to agreed-upon plan specifying mandatory retirement age, Vt.; if discharged for nonperformance due to medical reasons, Utah; if left work with good cause due to a personal bona fide medical reason caused by a non-job-related injury or medical condition, Va.; if discharged for substantial fault, or for the inability to do the work for which hired pursuant to a job order placed with the agency for a probationary period of 100 days, N.C.; if discharged for violating an ER's drug testing policy, if the policy had been adopted and applied consistent with any State or Federal law, Conn.; if separated due to use of alcohol or a controlled substance on or off the job if the individual admits to an addiction and the addiction was evidenced by a drug or alcohol test, Colo..

5/Charges omitted if ER furnished part-time work to the individual during the BP and if the individual is collecting benefits due to loss of employment with one or more other ERs, Oreg..

6/Charges omitted for ERs who paid claimant less than \$100 Fla. and S.Dak.; less than \$500, Colo., and Conn.; less than 8 x wba, S.C.; or who employed claimant less than 10 wks., Ky., and 30 days, Ill., and Va.; less than 5 wks., Maine; less than 4 consec. wks., N.H.; or who employed claimant less than 28 days and paid him less than \$400, Mo.; if worker continues to perform services for the ER, Ark., Idaho, Ind., Mont., Wash., and in Iowa if ER appeals for a rate recomputation within 30 days of notification of charges. Some States omit charges if the ER continues to employ claimant in part-time to the same extent as in the BP, see text (Sec. 235) for details.

7/ER who paid largest amount of BPW, Idaho; law also provides for charges to BP ERs in inverse order, Ind.. Principal ER will be charged for shut downs for convenience and ERs who participate in shared work, Md.; the most recent ER is charged 50% of benefits paid and the remaining 50% is charged proportionately to all BP ERs, P.R.; if 2 or more ERs involved, benefits will be charged proportionately to those ERs, otherwise most recent ER is charged for benefits paid, R.I..

8/Benefits paid based on credit wks. earned with ERs involved in disqualifying acts or discharges, or in periods of employment prior to disqualifying acts or discharges are charged last in inverse order. If an individual is laid off from one ER, benefits will be charged to that ER but if another ER pays the individual wages for the same wk. benefits are paid, benefits shall be noncharged to that ER.

9/An ER who paid 90% of a claimant's BPW in one BP not charged for benefits based on earnings during subsequent BP unless he employed the claimant in any part of such subsequent BP.

10/Charges omitted if claimant paid less than min. qualifying wages, Ariz., Ga., Ill., Maine, Nev., N.H., Ohio, Oreg., Wash.; when total BPW paid by other than last ER is less than \$500, Colo.; for benefits in excess of the amount payable under State law, Idaho, Ind., Iowa, N.H. and Oreg.; and for benefits based on a period previous to the claimant's BP, Ky.; if claimant left voluntarily without good cause attributable to work, to accept a better job or left to enter approved training, Md..

12/Charges omitted if benefits are paid due to a natural disaster, Ala., Fla., Ga., Hawaii, Iowa, Minn., N.C., N.Dak., Okla., Pa., S.Dak., Tenn., Tex., Wash. (if ER requests the exemption and the Commissioner approves it), and Wyo..

13/By regulation.

14/An ER who paid 75% of a claimant's BPW will be charged (except those for which a reimbursing ER is liable) with all benefits paid, but the agency may noncharge benefits paid after a voluntary quit or a misconduct discharge if the ER provides appropriate evidence to the agency.

15/The amount allocated to a BP ER's account shall be multiplied by 120% and then charged to him.

16/Benefits paid following disqualifications for voluntary leaving, discharge for misconduct and refusal of suitable work will be charged to the ER's account who furnished the employment, N.H..

17/Wages paid to an individual by a BP ER will not be charged to the ER if the wages equal at least 3.8% of the wages paid during the two highest quarters of the BP; or if a BP ER is responsible for less than 5% of a claimant's wages with charges distributed to the other BP ERs under certain conditions, Wis..

Table 206.--Fund Requirements for Most and Least Favorable Schedules and Range of Rates for Those Schedules 1/

State	Most favorable schedule			Least favorable schedule 2/		
	Fund must equal at least	Range of rates		When fund balance is less than	Range of rates	
		Min.	Max.		Min.	Max. 11/
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Ala.	125% of desired level 8/	0.14	6.74	70% of desired level 8/	0.14	6.74
Alaska	Reserve multiple equals 3.0 8/	1.0	6.5	Reserve multiple less than 0.33% 8/	1.0	6.5
Ariz.	12% of payrolls	0.1	10/	3% of payrolls	2.9 10/	5.4 10/11/
Ark.	More than 5% of payrolls	0	5.9	2.5% of payrolls	0.1	6.0
Calif.	1.8 of payrolls	0.1	5.4	0.8% of payrolls	1.3	5.4
Colo.	\$450 million	0	5.4	0 or deficit	1.0	5.4
Conn.	More than 8% of payrolls 2/	0.5	5.4	0.4% of payrolls 2/	1.5	6.4
Del.	Not specified	0.1	8.0 5/	Not specified	0.1	8.0 5/
D.C.	3.0% of payrolls	0.1	5.4	0.8% of payrolls	1.9	7.4
Fla. 5/	More than 5% of payrolls	0.1	Not specified	4% of payrolls	Not specified	5.4 11/
Ga.	5.0% of payrolls	0.01	5.4	3.0% of payrolls	0.06	8.64
Hawaii 8/	1.69 x adequate reserve fund	0.0	5.4	0.20 x adequate reserve fund	2.4	5.4
Idaho	5.0% of payrolls	0.1	5.4	1.5% of payrolls	2.9	6.8
Ill.	9/	0.2	6.4 9/12/	9/	0.2 9/	6.4 12/
Ind.	3.0% of payrolls	0.2	5.4	1.5% of payrolls	1.2	5.7
Iowa 8/	Current reserve fund ratio highest benefit cost rate	0.0	7.0	Current reserve fund ratio highest benefit cost rate	0.0	9.0
Kans.	5% of payrolls	.025	5.4	1.5% of payrolls	.025	5.4
Ky.	\$350 million	0.30	9.0	\$150 million	1.0	10.0
La.	Not specified	0.3	6.0	Not specified	0.3	6.0
Maine	Reserve multiple of over 2.5	0.5	6.4	Reserve multiple of under .45	2.4	7.5
Md.	7.4% of payrolls	0.1	7.2	2.8% of payrolls	1.4	8.3
Mass.	3.0% of payrolls	0.6	6.5	0.8% of payrolls	3.4	9.3
Mich.	Not specified	0	8.0	Not specified	1.0	10.0
Minn.	\$300 million	0.1	9.0	\$200 million	0.6	9.0

(Table continued on next page)

Table 206.--Fund Requirements for Most and Least Favorable Schedules and Range of Rates for Those Schedules 1/ (Continued)

State	Most favorable schedule			Least favorable schedule 2/		
	Fund must equal at least	Range of rates		When fund balance is less than	Range of rates	
		Min.	Max.		Min.	Max. 11/
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Miss.3/	. . . . .	0.1	5.4	4% of payrolls	0.1	5.4
Mo.	\$600 million	0	5.4	\$300 million	0	8.7
Mont.	2.6% of payrolls	0.0	6.4	0.5% of payrolls	1.7	6.4
Nebr. 4/	4/	. . .	. . .	4/	. . .	5.4
Nev.	Not specified	0.3	5.4	Max. annual bens. payable	0.3	5.4
N.H.	\$110 million	0.01	6.5	6/	2.8	6.5
N.J. 14/	10% of payrolls	0.4	5.4	2.5% of payrolls	1.2 11/	6.47 11/
N.Mex.	4% of payrolls	0.1	5.4	1% of payrolls	2.7	5.4
N.Y. 2/	5% of payrolls	0.0	5.4	Less than 0% of payrolls and less than \$12 million in general account.	2.1 5	6.4 5/
N.C.	9.0% of payrolls	0.0	5.7	2.0% of payrolls	0.0	5.7
N.Dak.	25% of total bens. paid in last 12 months.	0.1	5.4	25% of total bens. paid in last 12 months.	0.1	5.4
Ohio 8/	30% above min. safe level	0.1	6.5 11/	60% below min. safe level	0.1	6.5 11/
Okla. 2/	More than 3.5 x bens.	0.1	5.5	2 x average amount of bens. paid in last 5 yrs.	0.5	6.2
Oreg.13/	200% of fund adequacy percentage ratio	0.9	5.4	Fund adequacy percentage ratio less than 100%	2.2	5.4
Pa.	4/	0.3	Not specified	4/	Not specified	9.2
P.R.	\$589 million	1.0	5.4	\$370 million	0.5	5.4
R.I. 2/	11.5% of payrolls	0.8	5.4	5.0% of payrolls	2.3	8.4
S.C.	3.5% of payrolls	0.19	5.4	2.5% of payrolls	1.24	5.4
S.Dak.	More than \$11 million	0.0	8.0	\$5.5 million	1.55	9.5
Tenn.	\$550 million	0.10	10.0	\$300 million	0.50	10.0
Tex.	2% of taxable wages for 4 CQ's ending preceding June 30	0.0	6.0	1% of taxable wages for 4 CQ's ending preceding June 30 or \$400 million	0.0	6.0

(Table continued on next page)

Table 206.--Fund Requirements for Most and Least Favorable Schedules and Range of Rates for Those Schedules 1/ (Continued)

State	Most favorable schedule			Least favorable schedule 2/		
	Fund must equal at least	Range of rates		When fund balance is less than	Range of rates	
		Min.	Max.		Min.	Max. 11/
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Utah	2.0 x min. adequate reserve	Not specified	8.0	1.5 x min. adequate reserve	Not specified	8.0
Vt. 8/	2.5 x highest ben. cost rate	0.4	5.4	1.0 x highest ben. cost rate	1.3	8.4
Va. 2/	5.0% of payrolls	0.0	6.2	3.0% of payrolls	0.52	6.2
V.I.	.....	0.1	9.5	.....	0.1	9.5
Wash.	3.40% of payrolls 4/	0.36	5.4	1.40% of payrolls 4/	2.48	5.4
W.Va.	150% of average benefit payments for 3 preceding CY's	0	7.5	100% of average benefit payments for 3 preceding CY's	1.5	7.5
Wis.	\$1 billion	0	8.9	\$300 million	0.27	8.9
Wyo.	More than 5% of payrolls	0	Not specified	4.0% of payrolls	0	8.5 11/

1/See also Table 207.

2/Payroll used is that for last yr. except as indicated: last 3 yrs., Conn.; average 3 yrs., Va.; 3-yr. average, R.I., or greater, N.Y.. Benefits used are last 5 yrs., Okla.

3/In Miss., variations in rates based on general experience rate and excess payments adjustment rate.

4/No requirements for fund balance in law; rates set by agency in accordance with authorization in law, Pa.; 2.90 in the most favorable and 1.00 in the least favorable for 1995, Wash.

5/Fund requirement is 1 or 2 of 3 adjustment factors used to determine rates. Such a factor is either added or deducted from an ER's benefit ratio, Fla.. In Pa., reduced rates are suspended for ERs whose reserve account balance is zero or less. Rate shown includes the max. contribution (a uniform rate added to ER's own rate) paid by all ERs: in Del., 0.1 to 1.5% according to a formula based on highest annual cost in last 15 yrs.; in N.Y., and Pa., 0.1 to 1.0%.

6/Higher rate schedule used whenever benefits charged exceeds contributions paid in any year, N.H.

8/Desired level in Ala. is 1-1/4 x the product of the highest payrolls of any 1 of the most recent 3 yrs. and the highest benefits payroll ratio for any 1 of the 10 most recent FYs. ERs rate is 82% of the average benefit cost rate multiplied by the ER's experience factor, Alaska. Adequate reserve fund defined as 1.5 x highest benefit cost rate during past 10 yrs. multiplied by total taxable remuneration paid by ERs in same yr., Hawaii. Minimum safe level defined as an amount equal to 2 standard deviations above the average of the adjusted annual average weekly unemployment benefit payment from 1970, to the most recent CY prior to the computation date, Ohio. Highest benefit cost rate determined by dividing: the highest amount of benefits paid during any consec. 12-month period in the past 10 yrs. by total wages during the 4 CQs ending within that period, Vt.; total benefit payments during past 10 yrs. by wages paid during past yr., Iowa.

9/For every \$50 million by which the fund falls below \$750 million, State experience factor increased 1%, for every \$50 million by which the fund exceeds \$750 million, State experience factor reduced by 1%, but the experience factor may not be increased or decreased by more than 14%, Ill.

10/Subject to adjustment in any given yr. when yield estimated on computation date exceeds or is less than the estimated yield from the rates without adjustment.

11/Max. possible rate same as that shown except in Ariz., and Fla. where additional tax of 1.25%; and in Wyo. 1.5% may be required. Each contributing ERs rate increased by 10% when trust fund balance is negative, N.J.. Excluding adjustments of 0.2% if fund is 30% above min. safe level and an increase of 0.2% plus a calculated % if the fund is below the minimum safe level, Ohio.

12/Maximum contribution rate is the greater of 6.4% or the product of 6.4% and the adjusted State experience factor, Ill.

(Footnotes continued on next page)

(Footnotes for Table 206 (Continued))

13/In the first quarter of each off numbered year the least favorable schedule will range from 2.17 percent to 5.4 percent and the most favorable schedule will range from 0.47 percent to 5.4 percent, Oreg..

14/For CYs 1994 and 1995 an ERs contribution rate will be decreased by 36.0 percent; however, if ERs have a deficit reserve ratio of negative 35.0 percent the contribution rate may not be less than 5.4 percent, N.J..

Table 207.--Surtaxes

State	Surtax	Amount <u>2/</u>	Period or Conditions	Purpose
(1)	(2)	(3)	(4)	(5)
Ala.	Shared cost assessment	Not specified <u>3/</u>	.....	Shared or socialized costs
	Special tax assessment	0.06% <u>3/4/</u>	Until March 31, 1997	Job search & placement, admin., repayment of advances
Alaska	Fund solvency adjustment	-0.4% - 1.1% <u>3/5/</u>	Triggered by specified fund reserve ratio	Solvency
Ariz.	Additional	1.0% - 2.0%	Applies only to shared work ERS with neg. balance	Limit shared work ERs' deficit
Ark.	Stabilization tax	0.7% - 1.1% <u>3/</u>	When fund falls below .05% or 0.25% of payrolls	Solvency
	EB tax	0.1%	When EB account below 0.2% payroll	EB cost
	Advance interest tax	0.1% if pos. fund bal. and 0.2% if neg. fund bal. <u>1/</u>	Applies only when interest due on Federal advances	Pay Federal advances
Calif.	Emergency solvency surcharge rate	1.15% of ER's rate in sched. F	Fund below 0.6% payrolls	Solvency
	Surcharge for Employment and Training Fund	0.1% <u>4/</u>	Expires 1997	Training and admin. costs <u>6/</u>
Colo.	Surcharge tax rate	Not specified <u>4/</u>	Benefits not effectively charged divided by total taxable payroll of all ERs, rounded to nearest .01%	Administration, noncharged benefits
	Interest cost assess.	<u>1/</u>	.....	Fed. advances
	Solvency tax surcharge	In increments of 0.1% up to max. contribution rate	When monthly fund balance is equal to or less than .09% of total wages	Solvency
	Bond assessment	Not specified <u>3/</u>	Applies when fund balance is equal to or less than 0.9% of total wages reported by ERs	Solvency and Federal advances
Conn.	Fund balance tax	0 - 1.5% <u>3/</u>	Trust fund balance must be equal to .08% of total wages	Solvency
	Special assessment	<u>1/</u>	Applies only to interest due on Federal advances	Interest on advances
	Bond assessment	Not specified	Assessment is a % of ER's charged tax rate	Repay advances
Del.	Supplement solvency assessment	0.9% - 1.5%	When fund \$130 M or more (1.1% - 2.5% when fund below \$130 M)	Solvency
	Blue collar job training tax	0.1% per. yr. of taxable wages	When 0.6% FUTA credit reduction lifted	Counseling, training, placement of dislocated workers
	Temp. Emer. Assess.	<u>1/</u>	Applies only when interest due on Federal advances	Interest on advances
D.C.	Interest surcharge	0.1% <u>1/</u>	Applies when interest bearing advances are outstanding	Interest on advances
Fla.	.....	.....	.....	.....

(Table continued on next page)

Table 207.--Surtaxes (Continued)

State	Surtax	Amount <u>2/</u>	Period or Conditions	Purpose
(1)	(2)	(3)	(4)	(5)
Ga.	Admin. Assessment Solvency increase	.06% <u>3/</u> 10% - 60% basic rate <u>5/</u>	Expires June 30, 2001 Fund reserve ratio below 4.0%	Admin. Solvency
Hawaii	Employment and training fund assessment	.05% of taxable wages <u>3/4/</u>	Expires Jan. 1, 1997	Administration and training
Idaho	Fed. advance interest repayment tax Reserve tax	<u>1/</u> taxable wage rate less assigned contribution rate	Applies when interest due on Federal advances Reserve fund is 1% or less of taxable wages.	Interest on Federal advances Loans, Federal advances, interest on advances
Ill.	Fund building tax Federal penalty tax avoidance	0.4% 0.2%	..... When fund below \$80 M, increases by 0.2% for each yr. which fund remains below \$80 M as of May 15 of that yr.	Solvency, Admin. Avoid loss of offset credit due to borrowing
Ind.	.....	.....	.....	.....
Iowa	Admin. surcharge Temporary emergency surcharge	0.1% of Federal taxable wages <u>3/</u> <u>1/</u>	Expires July 1, 1998 Applies only if interest due on Federal advances	Cost of job service offices Interest on advances
Kans.	Surcharge	0.1% - 1.0%	Applies only to neg. bal. ERs with 2 or more yrs' experience	Limit neg. balance ERs' deficit
Ky.	Additional contrib.	0.3%	Applies if insufficient funds are made available from Fed. Govt.	Admin.
La.	Solvency tax Penalty surcharge	Up to 30% of contributions <u>3/</u> (5% of excess of bens. paid over contributions paid for all neg. bal. ERs in the preceding yr. + bal. in the neg. reserve pool)/(total taxable payroll for all neg. bal. ERs)	When fund under \$100 M Applies only to ERs with neg. bal. for 2 yrs.	Solvency Limit neg. bal. ERs' deficit
	Bond repayment assessment	1.4% on \$15,000 wage base <u>1/6/</u>	Applies only if bonds issued or outstanding	Pay bonds issued to pay Federal advances, admin. costs
Maine	Additional contribution Special assessment	0.4% <u>1/</u>	Effective for 1995-1997 Applies when interest due on Federal advances	Solvency Interest due on Federal advances
Md.	Fund balance tax	0.1% - 2.7% <u>3/</u>	When fund below 4.5% of tax. wages	Solvency
Mass.	Unem. health insurance contrib. Medical security contrib.	Max. of \$1,680 per EE Not specified	Applies to ERs with EEs of 6 or more Applies to ERs with EEs of 6 or more <u>11/</u>	Medical Security Trust Fund Med. Secur. Trust Fund

(Table continued on next page)

Table 207.--Surtaxes (Continued)

State (1)	Surtax (2)	Amount <u>2/</u> (3)	Period or Conditions (4)	Purpose (5)
Mich.	Solvency tax	Up to 2.0%	Neg. bal. ERs with more than 4 yrs' liability when the commission has outstanding Federal interest bearing loans	Solvency, pay interest on Fed. advances.
Minn.	Solvency assessment	10% -15% of contributions <u>3/</u>	When fund over \$75 M but under \$150 M, 10%; when under \$75 M 15%	Solvency
	Dislocated worker tax	0.1%	50% must be allocated to JTPA and 50% to fund programs under the Governor's job training council	Training, Admin.
Miss.	Solvency rate	1.0% <u>3/</u>	Fund reserve ratio below 4%	Solvency
Mo.	Additional rates	rates increased 10% - 30% plus	When fund below \$300 M, 10%; when below \$250 M, 20%; when below \$200 M, 30%	Solvency
	Additional rate	<u>1/</u>	Applies only when interest due on Federal loans	Interest on Federal advances
	Additional surcharge	<u>7/</u>	Applies to reimbursing ERs thru Dec. 31, 1995	Solvency
Mont.	Admin. fund tax	0.1% exper. rated ERs; .05% other ERs	.....	Administration
Nebr.	.....	.....	.....	.....
Nev.	Employment of claimants	.05% <u>3/</u>	.....	Training & admin. costs
N.H.	Emergency tax	0.5% <u>3/</u>	When commissioner determines emergency exists	Solvency
	Adverse rating cost	90-day T-Bill rate on last business day in May times the excess of benefit to contributions for preceding 3 yrs.	Applies only to ERs with a neg. bal. for the 3 yrs. prior to the computation date	Reduce neg. ERs deficit and recover lost Fund interest
N.J.	Rate increase	10% basic rate	When fund balance neg.	Solvency
	Rate increase	0.3% - 0.6% plus 20% basic rate for rated ERs; 0.6% nonrated	When fund is less than 7% taxable wages	Solvency
	Advance interest tax	<u>1/</u>	Applies only when interest due on Federal advances	Interest on Federal advances
	Surcharge	\$1 per EE	.....	Catastrophic Illness in Children Relief Fund
N. Mex.	.....	.....	.....	.....
N.Y.	Subsidiary tax	0.1% - 1.0% <u>5/</u>	When General Account bal. below \$120 M	Solvency
	Supplemental tax	0.7%	When fund index is less than 2	Solvency
	Additional tax	0.3%	To pay Federal advances	Interest on Federal advances
N.C. <u>10/</u>	Reserve Fund tax	20% of contrib. due	When fund below 1.0% tax. wages	Solvency and training
N.Dak.	.....	.....	.....	.....

(Table continued on next page)

Table 207.--Surtaxes (Continued)

State	Surtax	Amount <u>2/</u>	Period or Conditions	Purpose
(1)	(2)	(3)	(4)	(5)
Ohio	Minimum safe level adjustment	.025% - 0.2% + additional percentages determined by formula <u>3/</u>	When fund 15% or more below min. safe levels	Solvency
Okla.	Surcharge	Not specified	Applies for any qtr. the fund drops below \$25 million	Solvency
Oreg.	Fed. advance interest repayment tax	<u>1/</u>	Applies only when interest due on Federal advances	Interest on Federal advances
	Wage tax security	.03% <u>4/</u>	For qtr. ending 6/30/89 and first qtr. of every odd numbered year thereafter	Special fund to cover claims on bankrupt ERs
	Additional	0-0.8% depending on fund balance <u>3/4/</u>	3-year pilot program. Expires 1996.	JOBS PLUS Program
Pa.	Surcharge	-1.5% -8.0% <u>3/</u>	Fund balance ratio at or above 150% or below 110%	Solvency
	Additional	0.0% - .75% <u>3/</u>	Fund balance ratio at least 75% or below 50%	Solvency
	Employee	0.0% - 0.2% <u>3/</u>	Fund balance ratio at least 110% or below 75%	Solvency
	Advance interest tax	Up to 1.0% <u>1/3/</u>	Applies only when interest due on Federal advances	Interest on Federal advances
P.R.	Advance interest tax	<u>1/</u>	Applies only when interest due on Federal advances	Interest on Federal advances
	Special tax	1.0% <u>3/</u>	.....	Employment, training, administration
R.I.	Surtax	0.3% quarterly <u>3/</u>	Fund balance below zero	Solvency
	Job. Dev. assessment	0.1% <u>3/</u>	.....	Job. Dev. Fund
S.C.	Admin. contingency assessment	.06% <u>4/</u>	.....	Job placement for claimants
	Additional rates	.35% - 1.05% <u>4/</u>	Statewide reserve ratio below 3.5%. Applies only to rates less than 2.64% and may not increase rates beyond 2.64%	Solvency
S.Dak.	Investment in S.D. future fee	.70% -0.0% rated ERS; .70% new ERs <u>3/</u>	Varies according to ERs' reserve ratios	Research & econ. dev.
	Additional rates	0.1% - 1.5%	When fund below \$11 M	Solvency
Tenn.	Interest tax	<u>1/</u>	Applies only when interest due on advances	Interest on Federal advances
Tex. <u>6/</u>	Deficit tax rate	Up to 2.0%	When fund below the greater of \$400 M or 1% taxable wages	Solvency
	Advance interest tax	Up to 0.2% <u>1/</u>	Interest outstanding	Pay interest on out-standing indebtedness
	Employment Training Investment tax	0.1%	Effec. CY 1994 if amount in the fund on Oct. 1, 1993, is less than the floor of the fund; if not it will become effec. CY 1995. Expires at end of 1999.	Smart Jobs Fund Program
Utah	.....	.....	.....	.....
Vt.	.....	.....	.....	.....

(Table continued on next page)

Table 207.--Surtaxes (Continued)

State	Surtax	Amount ^{2/}	Period or Conditions	Purpose
(1)	(2)	(3)	(4)	(5)
V.I.	Solvency rate	-.5% - 2.4%	.....	Solvency
Va.	Fund building rate	0.2% ^{3/}	When fund bal. factor 50% or less	Solvency
Wash.	Special Employment Assistance tax	0.2% ^{3/}	.....	Program to assist unemployed, administration
	Surtax	.015% ^{1/}	.....	Federal advances
	Dislocated Worker Tax	.012 ^{3/}	Effective until June 30, 1999	Training, employ. for dislocated workers
W.Va.	Surtax	1.0%	Until January 1, 1994. Applies only to neg. bal. ERs, new foreign corporations and business entities engaged in construction trades	Limit neg. balance ERs' deficit
	Assessment	.35% on EEs, percent on ERs on \$21,000 tax wage base to equal EE assessment ^{1/6/}	When bonds outstanding	Retire bonds, Federal advances
Wis.	Fed. Interest Tax ^{2/}	Not specified	Applies when interest due on Federal advances	Interest on Federal advances
Wyo.	Adjustment factor	Up to 1.25% ^{3/}	When fund less than 4.0% of total payroll	Solvency

^{1/}In these States, the surtax rate is unspecified and will be determined by the amount of interest due on Federal advances. Excludes reimbursing ERs from interest payment surtaxes, Ark., Conn., D.C., Idaho, La., Maine, N.J., Ohio, Oreg., Pa., Tex., and Wash.. Excludes governmental entities, reimbursing nonprofit organizations, political subdivisions electing the special rate, negative balance ERs, and ERs with positive balances of 7.0% or more, Colo.; excludes ERs with no benefit charges for 2 yrs. and no negative balance for the same 2 yrs, Tenn.; excludes governmental ERs and ERs assigned a zero rate, Iowa; excludes zero rated ERs, Oreg.; excludes reimbursing governmental entities or instrumentalities and nonprofit organizations, Del.; excludes new ERs, Pa.. In some States with interest payment surtaxes it is not clear whether such surtaxes apply only to contributory employers.

^{2/}Percentage figures include percent of taxable payroll, unless otherwise indicated.

^{3/}Excludes reimbursing ERs: Ark., Conn., Ga., Hawaii, La., Md., Minn., Miss., Nev., N.H., Ohio, R.I., S.Dak., Va., Wash., and Wyo.; new ERs, Ala., Alaska, and Pa.; excludes governmental entities and political subdivisions, P.R.; governmental entities, reimbursing nonprofit organizations, and political subdivisions electing the special rate, Colo.; ERs at minimum .06%, negative balance ERs at 8.64%, and reimbursable ERs who elect to contribute, Ga.; governmental entities and nonprofit organizations, Iowa; reimbursing ERs and ERs who pay 5.4% or more, Nev.; surcharge and additional taxes exclude reimbursing ERs, new ERs exempted from additional tax, and EE tax assessed on total wages, Pa.; ERs assigned the min. rate under schedule A and any ER whose account has not been charged during the 3 preceding FYs but pay the min. rate under schedule B, Ala..

^{4/}Calif., S.C., (add. rate) exclude negative balance ERs; S.C. (contin. assess.) excludes nonprofit organizations, certain governmental ERs and ERs paying 5.4%; Ala., excludes reimbursing ERs, new ERs and ERs paying at least 5.4% but not more than 5.45%; excludes ERs paying 5.4%, Ala., Hawaii, and Oreg.; Colo., excludes ERs whose benefit charge account balance is zero.

^{5/}No annual increase or decrease more than .03% Alaska; no more than two step increase in rate, excludes reimbursing ERs, Ga.; not more than .03% above last year's subsidiary rate, N.Y..

^{6/}Interest payment is not the sole purpose of interest payment surtaxes in the following States: also for payment of bonds issued to pay Federal advances, debt service, administrative costs, La.; also to pay debt service on bonds issued to avoid or pay Federal advances, Tex.; also to retire bonds, W.Va.; interest on Federal advances may be paid from Employment Training Fund if approved by legislature, Calif..

^{7/}Prime rate of corporate loans x total benefit payments charged to ER's account, Mo..

(Footnotes continued on next page)

(Footnotes for Table 207 continued)

9/Inoperative unless authorized by the State agency.

10/The reserve fund tax will not apply for a year if the reserve fund exceeds \$163,349,000, N.C..

11/See Mass. law for any exceptions.